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Chapter 13. Municipal Borrowing Power*

Constitution reference--Municipal power to borrow money and contract debts, Art. VII, § 21.

Sec. 13.1. General borrowing.

Subject to the applicable provisions of state law and this charter, the Council, by proper ordinance or resolution, may authorize the borrowing of money for any purpose within the scope of the powers vested in the city and the issuance of bonds of the city or other evidences of indebtedness therefor, and may pledge the full faith, credit, and resources of the city for the payment of the obligation created thereby.

Sec. 13.2. Special assessment bonds.

The Council shall, subject to the applicable provisions of the general laws of the state, have authority to borrow money in anticipation of the payment of special assessments made for the purpose of defraying the cost of any public improvement, or in anticipation of the payment of any combination of such special assessments, and to issue bonds therefor. Such special assessment bonds may be an obligation of the special assessment district or districts or may be both an obligation of the special assessment district or districts and a general obligation of the city. All collections on each special assessment roll or combination of rolls shall be set apart in a separate fund for the payment of the principal and interest of the bonds issued in anticipation of the payment of such special assessments, and shall be used for no other purpose.

Sec. 13.3. Mortgage bonds.

When the city is authorized to acquire, own, or operate any public utility, it may, in accordance with the provisions of Sections 23, 24, and 25, of Article VIII of the Michigan Constitution of 1908,* issue mortgage bonds therefor beyond the general limit of bonded indebtedness prescribed by law in accordance with the provisions of the Michigan Constitution of 1908 pertaining thereto.

Editor's note--Now Art. VII, §§ 24, 25, Constitution of 1963.

Sec. 13.4. Other bonds.

The city shall have power to issue revenue or other types of bonds in the manner and for the purposes permitted by the constitution and general laws of the State of Michigan.

Sec. 13.5. Preparation and records.

Each bond or other evidence of indebtedness shall contain on its face a statement specifying the purpose for which the same is issued and it shall be unlawful for any officer of the city to use the proceeds thereof for any other purpose, except that whenever the proceeds of any bond issue, or any part thereof, shall remain unexpended and unencumbered for the purpose for which said bond issue was made, the Council may, by the affirmative vote of four (4) members,

authorize the use of such unexpended and unencumbered funds for the retirement of such bond issue, or, if such bond issue shall have been fully retired or if any of such funds remain after such retirement, then for the retirement of other bonds or obligations of the city. All bonds and other evidences of indebtedness issued by the city shall be signed by the Mayor and countersigned by the Clerk, under the seal of the city. Interest coupons may be executed with the facsimile signatures of the Mayor and Clerk. A complete and detailed record of all bonds and other evidences of indebtedness issued by the city shall be kept by the Clerk. Upon the payment of any bond or other evidence of indebtedness, the same shall be marked "Cancelled." Any officer who shall violate the provisions of this section shall be deemed guilty of misconduct in office.

Sec. 13.6. Unissued bonds.

No unissued bonds of the city shall be issued or sold to secure funds for any purpose other than that for which they were specifically authorized, and if any such bonds are not issued or sold within five (5) years after authorization, such authorization shall, as to such bonds, be null and void.